**Case Study #2**

Donor, a retired engineer and widower, wants to donate real property to set up a 5% Charitable Remainder Unitrust with Conservation Charity. He takes pride in being self-reliant and knowing the value of a dollar, so he uses a well-known software program to do his own taxes each year. Conservation Charity thanks Donor for his generous CRUT proposition and explains that it has an expert attorney on retainer who can draft a CRUT for review by the Donor and his attorney and/or other tax advisors. Donor reviews the draft CRUT document for a day and then declares he is ready to sign. Conservation Charity has a sneaking suspicion that Donor never had the document reviewed by any advisors.

**Discussion Questions:**

1. How strongly should Conservation Charity encourage Donor to seek his own counsel?
2. What if he refuses, thinking it unnecessary?
3. Is it ethical for Conservation Charity to have its own counsel draft the CRUT documents for donors?
4. How could this practice help protect the donor? How could it jeopardize the donor’s interests?

Assume instead that the Donor goes to his own counsel, an estate planner, and has her draft the CRUT, with a financial company as Trustee.

**Discussion Questions:**

1. How strongly should the Donor’s counsel encourage him to consult the intended Conservation Charity about how the gift use portion of the CRUT should be drafted?
2. What if the Donor has his own counsel, but her specialty is commercial real estate?

Instead of funding a CRUT, Donor decides to gift the real property to Conservation Charity outright. Conservation Charity tells donor about the need for an appraisal and the need to file an 8283 to substantiate his deduction, as well as the rule that Conservation Charity file IRS Form 8282 if it sells the property within three years. Donor’s best-friend, who annually volunteers at the local library to help people with their taxes, suggests he ask Conservation Charity if they will “simplify” things by holding the property for three years without selling it.

**Discussion Questions:**

1. What should Conservation Charity tell the Donor about the idea of holding the property for at least three years?
2. What if the Donor calls and asks Conservation Charity’s representative to stop by sometime soon to help him fill out IRS Form 8283?